



U.S. General Services Administration

Using the Exchange/Sale Authority

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OGP/Personal Property Policy

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What Law and Regulations Govern Exchange / Sale

United States Code:

- 40 USC 503 contains the authority

Implementing Regulations:

- FMR 102-39 Replacement of Personal Property Pursuant to the Exchange/Sale Authority
- FMR 102-33 Management of Government Aircraft

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Legal Office Approval

It is highly recommended that you seek the advice of your Office of General Counsel prior to conducting an Exchange/Sale. This will protect you & insure compliance with law

GSA has much experience in Exchange/Sale and ultimately makes the interpretation of 40 USC 503 contained in FMR 102-39

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What Is Exchange / Sale Authority & How Can I Use It?

This Authority Allows the:

- Exchange
- Sale
- Reimbursable Transfer

of Eligible Personal Property

Proceeds must be used to purchase, rent or lease a **REPLACEMENT** item(s)



Use Exchange/Sale authority to offset the cost of replacement personal property

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Who can use Exchange / Sale?

All Federal Agencies Can Utilize Exchange/Sale Authority
to offset the cost of replacement personal property



United States Department of Agriculture



U.S. DEPARTMENT of STATE



U.S. Department of the Interior

Why Use Exchange/Sale



Would you give your car back to the dealer for free when you bought a new car?

...no way

... you'd trade it in or sell it!



The same logic should apply to the purchase of all Government property!



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Replacement Item Should Be “Similar” to the Item Sold or Exchanged

What is “Similar”?

- Identical Item
- OR...*
- Item Constructed for the Same Specific Purpose
- OR...*
- Both, constitute parts or containers for identical or similar end items
- OR...*
- Both Items Fall Within the Same FSG (2-digit).

FMR 102-39.20

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What Personal Property is Not Eligible for Exchange/Sale?

Property that is **EXCESS** is not eligible for Exchange/Sale

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Personal Property Eligible for Exchange/Sale

The following Federal Supply Classes (FSC's) are...

NOT to be sold / exchanged *without a waiver* :

• 10 weapons	• 51 hand tools
• 11 nuclear ordnance	• 54 prefab structures
• 42 firefighting, rescue eq.	• 68 chemicals
• 44 nuclear reactors	• 84 clothing

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Must the Exchange / Sale be one-for-one?

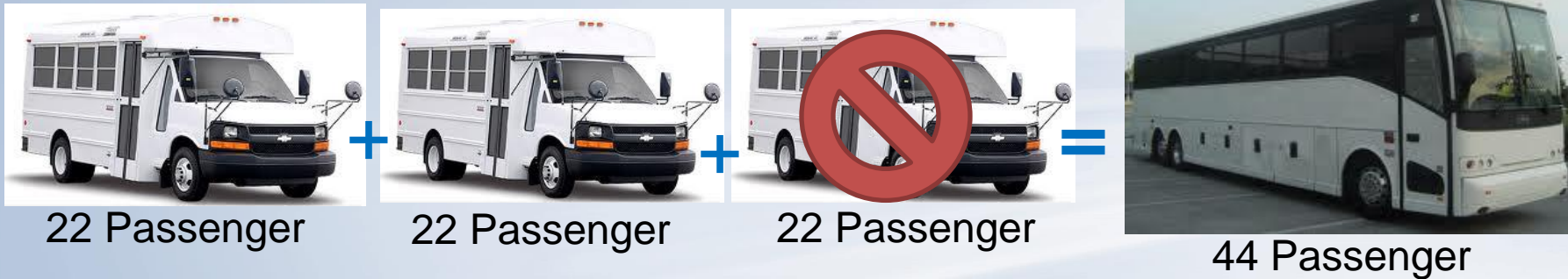
No Longer. However....

- The items acquired should perform all, or substantially all, of the tasks in which the old items would otherwise be used.
- The items exchanged/sold or acquired can not be excess to current needs.

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Applying the Proceeds



The item(s) acquired performs all or substantially all of the tasks for which the item(s) exchanged or sold would otherwise be used

FMR 102-39.20

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Time Limit for Proceeds

Exchange/Sale proceeds are typically available during the fiscal year in which property is sold and for one additional fiscal year.

Unused proceeds will be lost.

HOWEVER:

Per FMR 102-39.25 GSA can grant an extension for valid reasons



FMR 102-39.70

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What's in this for Me?



Save your agency lots of money and become a super hero!

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What's the Catch?

- Can't sell or exchange any item from the prohibited FSC list without approved waiver from GSA
- Must acquire “personal property” – Not Services – with Exchange/Sale proceeds
- If exchange or sale doesn't take place within time limit, funds are lost
- Funds need to be accounted for
- Some record keeping required

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Remember...

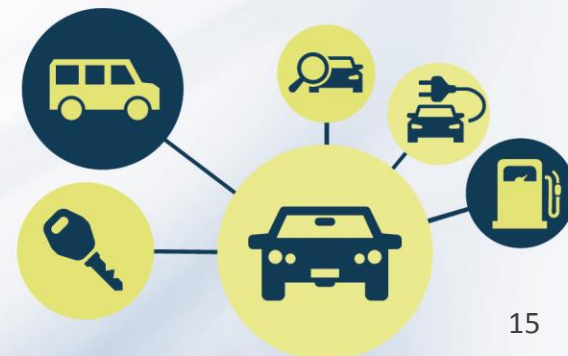
The Exchange / Sale Authority can be used for all eligible personal property. (See FMR 102-39)

If the property requires a waiver, obtain the waiver before proceeding

Report all Exchange/Sale transactions within 90 calendar days after the close of each fiscal year through the on-line reporting tool

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Questions?

Where Can I Get Assistance?

Personal Property Policy:

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The End

Remember to use Exchange/Sale authority to offset the cost of replacement personal property

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